

**CONSOLIDATION COMMITTEE
P.O. BOX 71114
FAIRBANKS, AK. 99707**

August 23, 2000

Kevin Waring, Chair
Local Boundary Commission
Department of Community and Economic Development
550 West 7th Avenue, Suite 1790
Anchorage, AK. 99501-3510

Dear Chairman:

The Consolidation Committee hereby submits our Reply Brief to the Responsive Briefs and letters of comment previously submitted to the Local Boundary Commission (LBC) concerning the Petition to Consolidate the City of Fairbanks and the Fairbanks North Star Borough. The Reply Briefs are attached in five Sections as follows:

Section 1. Reply Brief to the Fairbanks North Star Borough Responsive Brief.

Section 2. Reply Brief to the City of Fairbanks Responsive Brief.

Section 3. Reply Brief to the Interior Taxpayers Responsive Brief.

Section 4. Reply Brief to Bonnie Williams written comments.

Section 5. Reply Brief to James E. Moody's written comments.

The Consolidation Committee is submitting as "Attachment A," a new 39 page City and Borough Consolidation Budget and Fiscal Comments dated July 1, 2000 to update the brief budget contained within the Consolidation Petition. The Consolidation Committee is also submitting as "Attachment B," a "Trust " to be established by the new Municipality of Fairbanks so that the present City of Fairbanks Permanent Fund assets will transfer to a trust for the benefit and use of the new Urban Service Area as stated in the Consolidation Petition.

The Consolidation Committee respectfully requests the LBC to allow the updated consolidated budget and Trust to be considered in evaluation of our Petition and allowing the material to update the Consolidation Petition.

The Petitioners also request the Local Boundary Commission consider the large public expense used by the City of Fairbanks and the Fairbanks North Star Borough in mounting a bureaucratic opposition to a citizens petition without any public hearing or even a public discussion of the pros and cons of consolidation. The Petitioners have used their personal time without funding to bring forward a proposal for a single municipality we believe offers a more responsive, effective and efficient municipality to replace two local governments. Additionally, we do not have the

financial resources to hire attorneys to refute the city and borough statements on the intent of the State's Constitution and the Alaska Statutes. We have used a common sense approach and a laymen's interpretation of what the framers of the Constitution foresaw for the future needs of growing municipalities.

The Briefs and comments received by the LBC all make an issue of the 10 Mill Tax Cap Initiative and infer the Petitioners should propose how the consolidation proposal would cope with that issue if it becomes law. We submit the LBC should not consider the proposed 10 Mill Tax Cap at this time as a part of this Consolidation Petition for several reasons. First, the Attorney General has previously stated the Tax Cap Initiative may face litigation both before and after its possible passage and is in fact under litigation at this time. There is general concern statewide as to what specifically the proposed tax cap will do and there are discrepancies in the tax cap proposal that will ultimately have to be resolved by the courts. Hence it is purely speculative at this time how and even if, the proposed Tax Cap Initiative will be applied to single municipalities, service districts and cities within boroughs. For those reasons and the simple fact that even the Fairbanks North Star Borough has not reached any conclusion on how they would handle the Tax Cap Initiative, should be reason enough to not require the Petitioners to second guess what a future Assembly would do. This is a political issue the Petitioners cannot resolve.

The Petitioners respectfully request the LBC to allow a liberal construction of the Petition to Consolidate the City of Fairbanks and the Fairbanks North Borough and the Reply Briefs submitted herein.

Sincerely,

Don Lowell, Petitioners' Representative

Attachments:

1. Attachment A, The July 1, 2000 updated Consolidation Budget and Fiscal Comments.
2. Attachment B, The "Trust" for the City of Fairbanks Permanent Fund.
3. Section 1. Reply Brief to the Fairbanks North Star Borough Brief.
4. Section 2. Reply Brief to the City of Fairbanks Brief.
5. Section 3. Reply Brief to the Interior Taxpayers Brief.
6. Section 4. Reply Brief to Bonnie Williams written comments.
7. Section 5. Reply Brief to James E. Moody's written comments.

cc: Fairbanks North Star Borough
City of Fairbanks
Interior Taxpayers Association
Bonnie Williams
James E. Mood